



F-35 Lightning II Joint Program Office

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Pentagon and Lockheed Martin Reach Handshake Agreement For Lowest Cost F-35s in History

Government-Industry team deliver on long-standing commitment of sub \$80M jet one year early

FORT WORTH, Texas – The F-35 Joint Program Office and Lockheed Martin have reached a handshake agreement covering more than 470 total F-35s over three separate contracts, known as Lots 12-14. The agreement, once finalized, will represent the largest F-35 production contract and the lowest aircraft prices in program history.

The final contract will cover all Lot 12 aircraft, with priced options for Lots 13 and 14. The unit price for all three F-35 variants was reduced on average 15% from Lot 11 to 14, and the agreement includes an F-35A unit cost below \$80 million in Lot 13 (2019), delivering the Pentagon and Lockheed Martin's long-standing commitment one year early.

"This is a truly historic milestone for the F-35 Enterprise. The F-35 Joint Program Office and Lockheed Martin team have come to agreement on this landmark three-lot deal that achieves an average ~15% unit cost reduction and results in a less than \$80M F-35A in Lot 13 – one year earlier than planned," said Vice Admiral Mathias Winter, F-35 Program Executive Officer. "This ~\$34B agreement marks the largest procurement in the history of the Department and provides a best value for our warfighter and taxpayer, incentivizes industry to continuously improve their performance and achieves the lowest F-35 unit prices per aircraft to date."

"With smart acquisition strategies and a relentless focus on cost reduction, the F-35 enterprise has successfully reduced procurement costs of the 5th Generation F-35 to equal or less than 4th Generation legacy aircraft," said Greg Ulmer, Lockheed Martin's vice president and general manager of the F-35 program. "Beating our long-stated goal and delivering an F-35A below \$80 million in Lot 13 is a testament to our joint government and industry team – and we look forward to working with the Joint Program Office to finalize the agreement."

The sub \$80M unit recurring flyaway cost for an F-35 represents an integrated acquisition price for the 5th Generation Weapon System. With embedded sensors and targeting pods, this F-35 unit price includes items that add additional procurement and sustainment costs to legacy 4th Generation aircraft.

With stealth technology, advanced sensors, supersonic speed, weapons capacity and superior range, the F-35 is the most lethal, survivable and connected aircraft in the world. More than a fighter jet, the F-35's ability to collect, analyze and share data, is a powerful force multiplier that enhances all airborne, surface and ground-based assets in the battlespace enabling men and women in uniform to execute their mission and return home safely.

For additional information, visit www.f35.com.

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